



Peel-Elder Limited Annual Report 1969

Peel-Elder Limited

Directors

P. C. Finlay, Q.C.
Toronto, Ontario
A. H. Honsberger, B.Sc.
Brampton, Ontario
S. L. Jaske
Toronto, Ontario
Charles F. Watson
Brampton, Ontario
K. A. Roberts, M.D.
Pickering, Ontario

Officers

K. A. Roberts, M.D.
Chairman of the Board
Charles F. Watson
President and Managing Director
A. H. Honsberger, B.Sc.
Vice-President
P. C. Finlay, Q.C.
Secretary-Treasurer
Donovan R. Lytle, C.A.
Comptroller
C. Donald Brooks, P.Eng.
*Assistant Vice-President,
Land Development*
Melvin Kurtz
*Assistant Vice-President,
High Rise construction*
Roy S. Clark
Director of Marketing

General Counsel and Solicitors

Holden, Murdoch, Walton, Finlay
& Robinson
2400 Bank of Nova Scotia
Building, Toronto, Ontario

Auditors

Dunwoody and Company,
Chartered Accountants
25 Adelaide Street West,
Toronto, Ontario

Share Capital

Common Shares listed for
trading on the following
Stock Exchanges:
Toronto Stock Exchange
Canadian Stock Exchange
American Stock Exchange
Pacific Coast Stock Exchange

Transfer Agents

The Canada Trust Company
110 Yonge Street,
Toronto, Ontario, Canada
Registrar and Transfer Company
51 Exchange Place,
Jersey City 2, N.J., U.S.A.

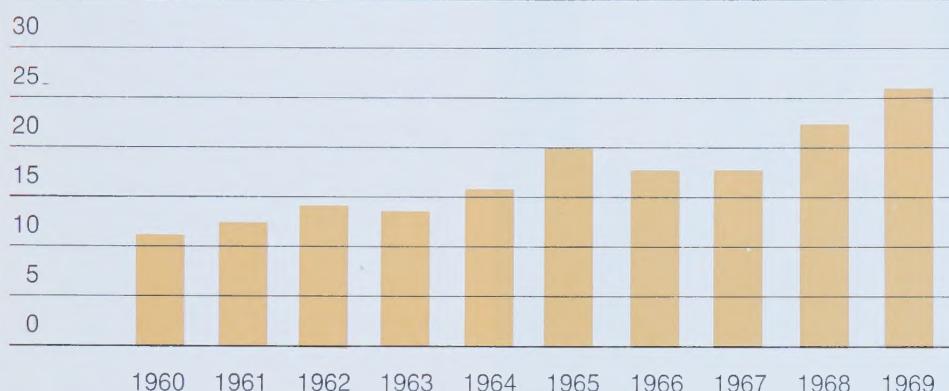
Head Office

2400 Bank of Nova Scotia Building,
Toronto, Ontario, Canada

Financial highlights

Total Assets

\$ Millions



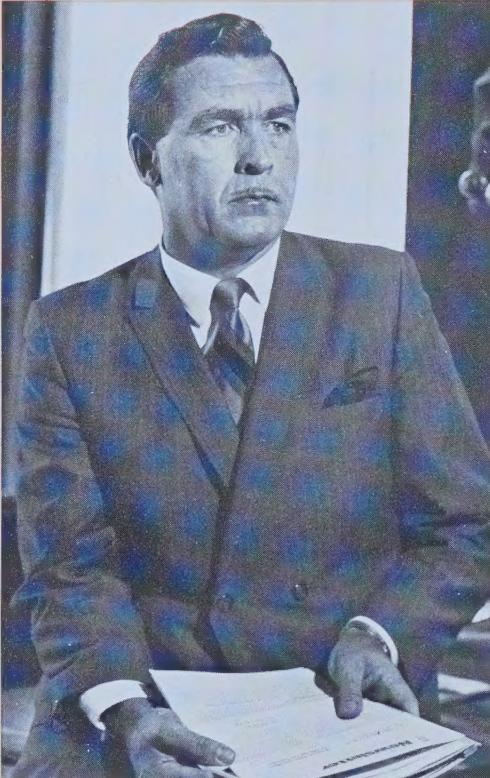
	1969	1968
Total Assets	\$25,934,513	\$23,479,216
Cash income from operations	\$1,564,851	\$1,232,850
Per share	\$1.44	\$1.42
Net profit before Corporation Income Taxes	\$1,970,582	\$1,338,858
Per share	\$1.81	\$1.55
Net Profit before Deferred Corporation Income Taxes	\$1,342,582	\$1,046,504
Per share	\$1.23	\$1.21
Net Profit after Deferred Corporation Income Taxes	\$939,582	\$786,504
Per share	86¢	91¢
Average number of shares outstanding	1,087,708	865,833
House and land sales	\$3,337,038	\$2,460,492
Rental revenue	\$2,582,034	\$1,881,310
Repayment of Mortgages	\$175,601	\$1,270,478

Peel-Elder Limited

President's report



K. A. Roberts, M.D.



Charles F. Watson

Your company is pleased to report a sharp rise in profits for the year ended 31 December 1969.

Net profit after deferred corporation taxes increased almost 20% to \$939,582 from \$786,504. Earnings per share for 1969 amounted to 86¢ for an average of 1,087,708 common shares outstanding compared with 91¢ on 865,833 average shares outstanding in 1968. Peel-Elder's pre-tax incomes showed an even more dramatic increase, advancing almost 50% to \$1,970,582 from \$1,338,858 in 1968. The additional number of average common shares outstanding in 1969 is the result of a 3-for-2 stock split declared by the company last year. The deferred corporation taxes have no bearing on Peel-Elder's current taxes, all of which are accounted for in the company's 1969 statement. The 1969 deferred taxes total \$403,000 of which \$327,000 will not be payable until after 1984.

Peel Village Brampton, a total community of residential, industrial and commercial properties is housing more than 12,000 persons. Your company is now completing and selling the final single family homes in Phase Four. We are building 33 condominium Town houses for immediate sale. In addition, plans have been completed and a building permit obtained to construct 320 apartment rental units in the same area. The ardent

demand for housing in our development continues unabated. Our latest apartment building in Brampton is now fully rented even before final completion.

We have instituted an aggressive program for the sale and development of our industrial property which will provide a continuing source of revenue for the immediate future.

In May 1969 we opened a large regional Shoppers' World in Peel Village, Brampton. It met with immediate success and prompted management to build an additional 20 stores which will be opened in June of this year. More than 100 retail stores will finally comprise this shopping complex.

Peel Village Highlands is another planned total community integrating residential, industrial and commercial properties. When completed it will attract more than 30,000 people to Kitchener-Guelph-Preston triangle of southern Ontario, one of the fastest-growing areas in Canada. A formal request has been made to the town of Preston to prepare an agreement which will allow your company to begin development and construction.

Forest Hills condominiums are now under construction. This project comprises 17 high-rise buildings with some 2,600 luxury suites located in an exclusive residential area in northwest

Toronto. To accelerate sales revenue of condominiums, the company has embarked on a unique merchandising program. A specially designed sales pavilion is being constructed which provides prospective purchasers an opportunity to view exact duplicates of suites available in the first two towers under construction.

Graydon Hall Manor is now renting its 888 suites in three towers. This ultra-modern project is situated in an exclusive residential neighbourhood in northeast Toronto. To attract tenants and maintain a high rate of occupancy, we have opened a tenants' recreation club which provides indoor swimming, squash, tennis, gymnasium, sauna and outdoor play facilities. Shoppers' World Danforth, the company's large regional shopping centre in downtown Toronto, will be expanded to include another 30 stores because of lessee demand. Your company now provides tenants of its regional shopping centres merchandising and sales promotion services at nominal cost. Such aid has been instrumental in building customer traffic and profitability for tenants.

Shoppers' Cinemas Limited is a joint venture with one of Canada's leading motion picture exhibitors to operate a theatre in our shopping centre at Brampton. The pilot operation has proved highly successful and the company plans to open other theatres.

Recent articles in the Financial Post of Canada and other press media have reported new interest in off-shore oil exploration in Nova Scotia. Your company holds a 51% interest with an option to acquire 24% from New Senator Rouyn Limited in a large tract of land in the Province. In 1966 diamond drilling indicated a widespread occurrence of free sulphur in an anhydride rock formation to depths of 1,000 feet over a wide area. Further drillings made by your company in 1968 and 1969 indicated a major salt mass or dome in the area. Peel Elder is presently negotiating with the Province of Nova Scotia to retain our interest in this property.

During the past ten years of growth, your company has developed most rigid financial controls covering estimates, costs, purchasing, payments and construction schedules to insure that each project comes in on time with a maximum profitability factor. During this decade we have also built a management team, both executive and key employee, in depth to enable your company to widen its scope of corporate growth and development.

CHARLES F. WATSON
President and Managing Director

Shopping Centres

A steadily expanding chain of regional shopping centres under the SHOPPERS' WORLD banner has nearly 200 merchants. This division of Peel-Elder operations provides a great degree of stability and growth. Participatory percentages allow a share in the

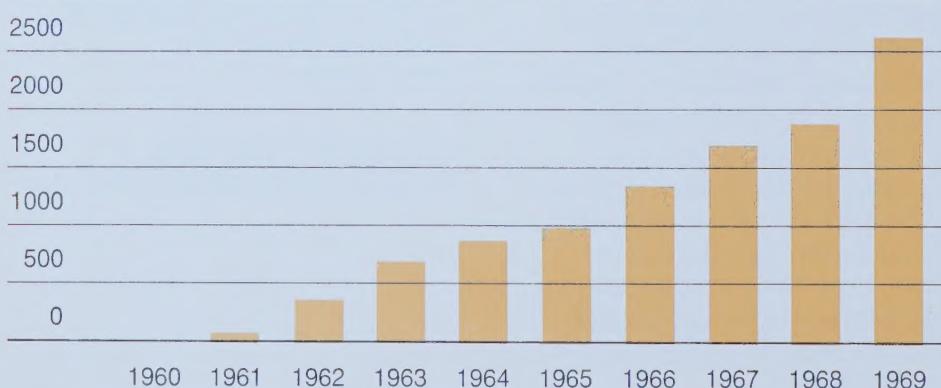
business operations of all types of merchants from department stores to barbers. Solid triple A chains and aggressive well financed independants form the base of one of Peel-Elder's fastest growing and most profitable commercial divisions.

Aerial view of the nearly 400,000 sq. ft. Shoppers' World Centre in Brampton just ten minutes from the Toronto International Airport.



Rental revenue

\$ Thousands



Aerial view of Peel Village Square a Shoppers' World neighbourhood shopping centre housing Dominion Stores, one of Canada's largest Supermarket chains.

Shopping Centres

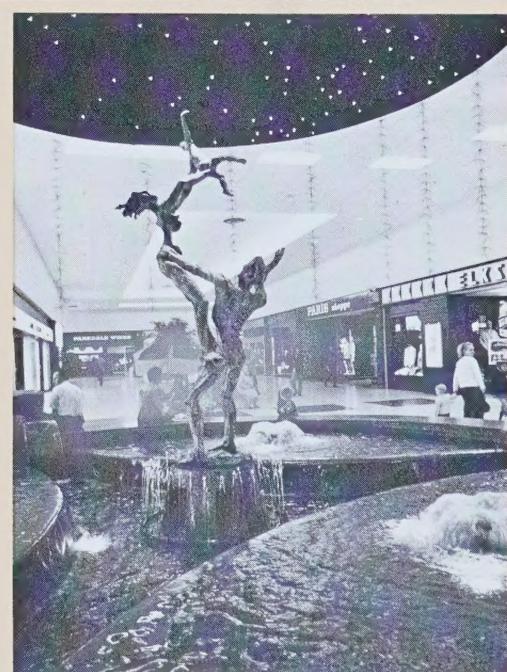


View of Shoppers' World Danforth at Victoria Park Ave. housing 60 stores including Eaton's, Canada's largest senior department store. Completed in 1962 this is one of Canada's most successful Shopping Centres and will be expanded by an additional 30 stores within the next 12 months.

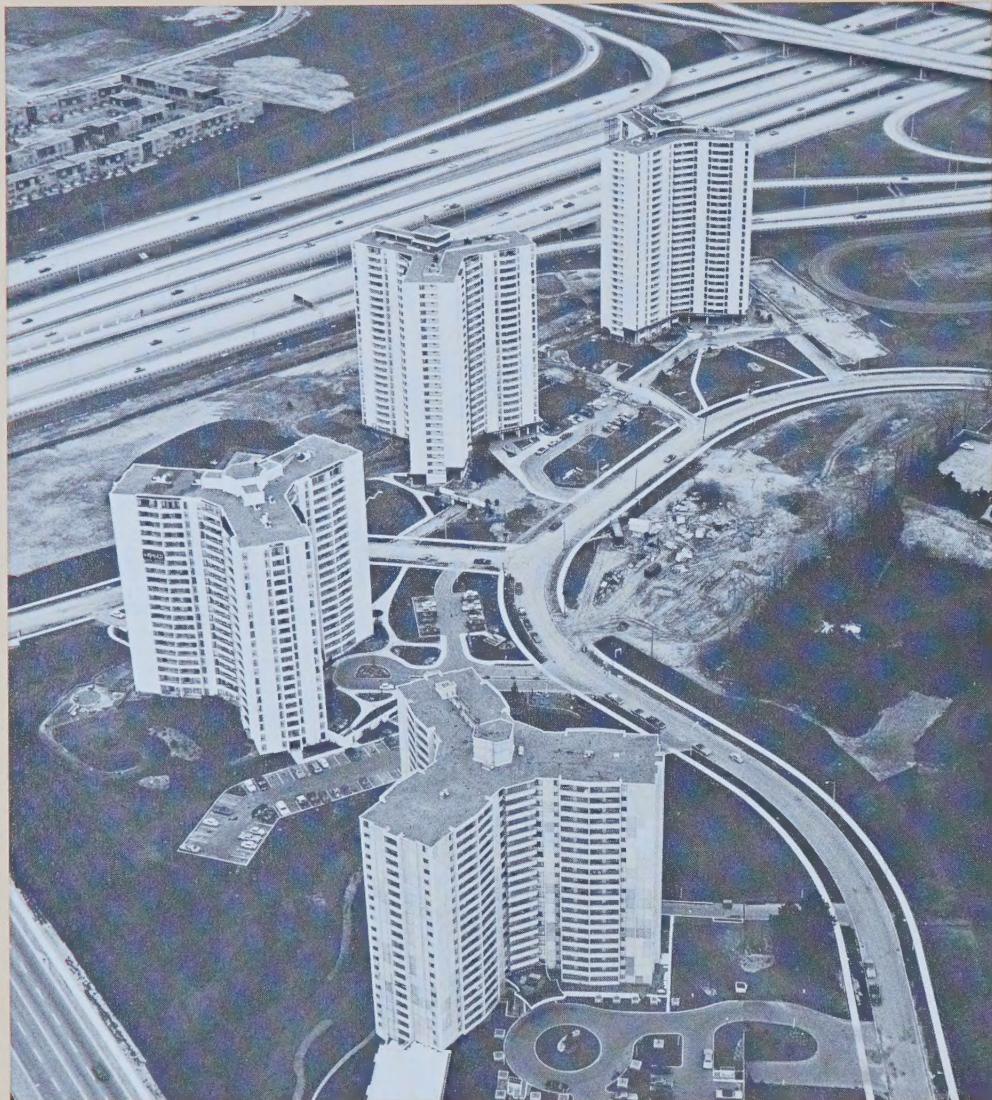


Fast customer service is provided by modern check-out facilities in Eaton's department store Shoppers' World Danforth.

Sculpture in the Shoppers' World Brampton Mall. Surrounded by beautifully lighted fountains, it has become a meeting place of the happy families who have made the Peel-Village dream a successful reality.



Rental Apartments



In keeping with a policy of steady growth in rental income, Peel-Elder has continued to construct rental apartments and has expanded into a property management division. All rental properties are under the direct management of Peel-Elder staff. The desirability of Peel-Elder rental units has been further enhanced by the addition of sophisticated and highly desirable recreational and health club facilities that greatly assist in keeping the rate of vacancy below average.

Aerial view of the Graydon Hall rental project located at the main junction of cross-town and downtown freeways for fast access to all parts of Metro Toronto. This project features the latest in recreational facilities including swimming pool, saunas, squash courts, and exercise rooms in a manor house surrounded by rolling green lawns. This project is jointly owned by Peel-Elder Limited and Canadian National Railway, trustee for Canadian National Railway Pension Fund.



Indoor Pool in the Graydon Hall recreational facilities.

Rental Apartments



Newest addition to the Graydon Hall complex of apartments now being rented.



Aerial view of the Courtleigh, a strikingly modern building with its own recreational facilities.



Interiors of model suites in Graydon Hall.



Entrance to the Graydon Hall Manor Club.

View of one of the large apartments in Peel Village, Brampton.



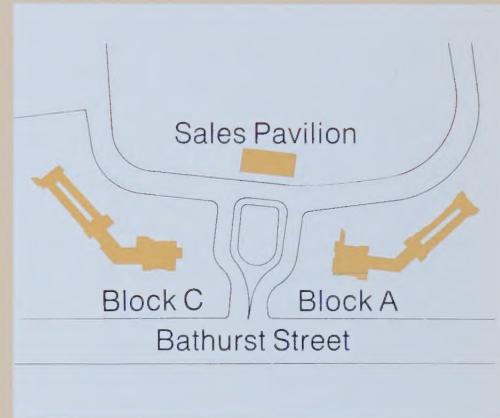
Forest Hills Condominium

17 buildings, 70 million dollars

Located on the site of the Forest Hills Golf Club in the heart of north central Metro Toronto, this project will be one of the largest luxury condominium apartment developments in North America. More than 2600 suites are now being built, ranging in size up to 2200 square feet. Construction has started on the first two towers of seventeen to be built and selling starts immediately from a

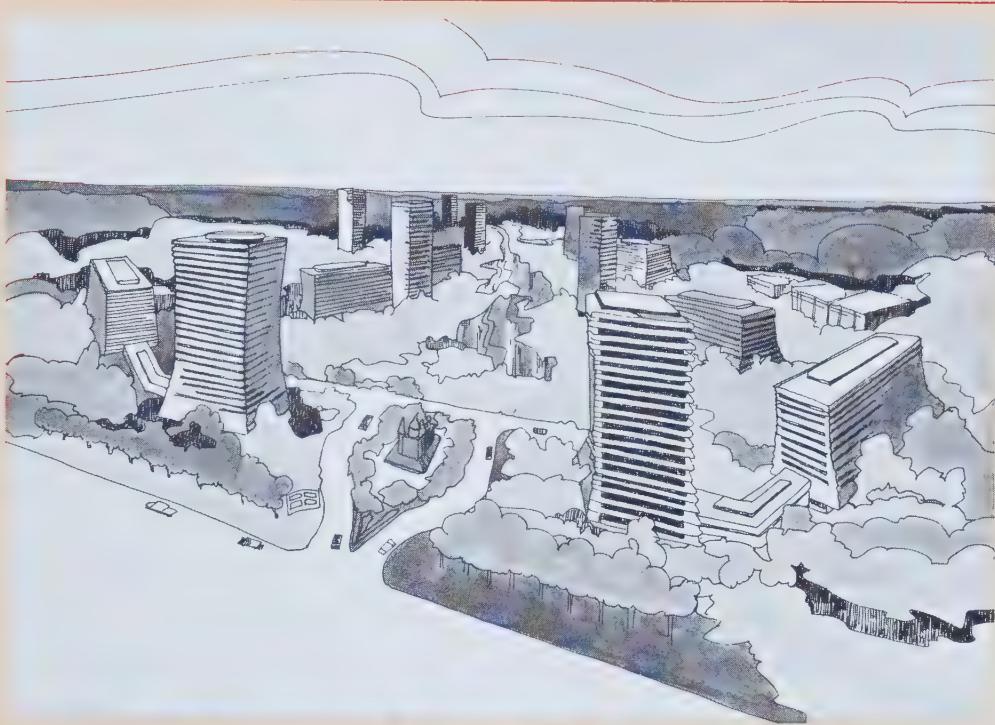
specially constructed sales pavilion. This pavilion features exact duplicates of the suites to be built in the first two towers and are furnished as model apartments. Prospective buyers are able to see exactly what they are getting and sales can go forward well in advance of the time that model suites could possibly be ready in the finished buildings.

Model of the first two towers.



Site plan showing location of first two buildings.

Forest Hills Condominium

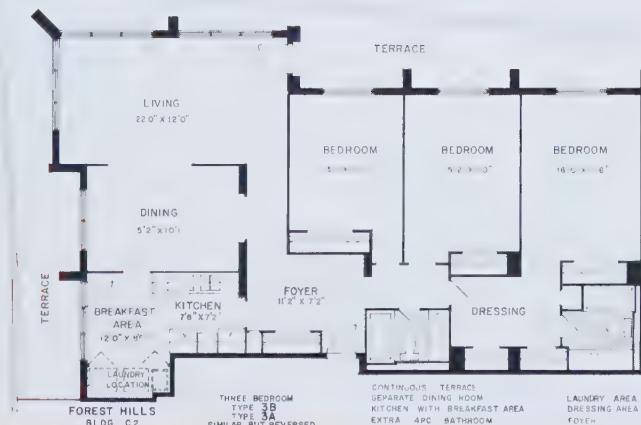


Artist's rendering of completed project.



Sales Pavilion under construction.

Construction in progress.



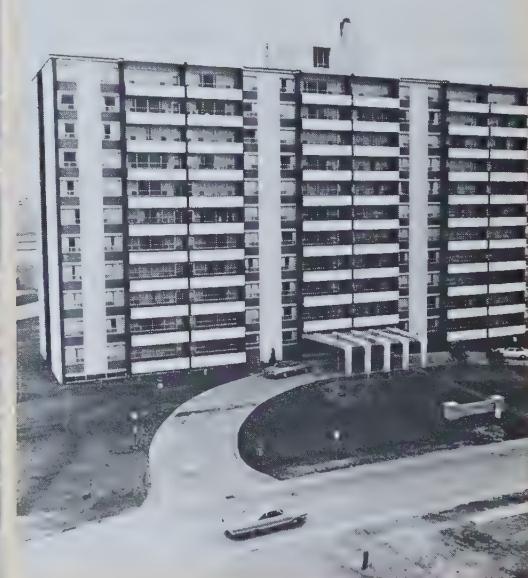
Floor plan of typical three-bedroom suite.

Peel Village, Brampton

A total community built in 10 years



A dream becomes a reality. Hailed as the Canadian model community, the Peel Village concept was lauded throughout the nation and for the first time TOTAL community planning became a reality. Peel Village is still growing and the company that built a city, dreams for the future.



One of the high rise apartments in the Peel Village project.

Giant American Motors plant built by Peel Village created employment for thousands.



Condominium townhouses under construction. Peel Village is still growing.

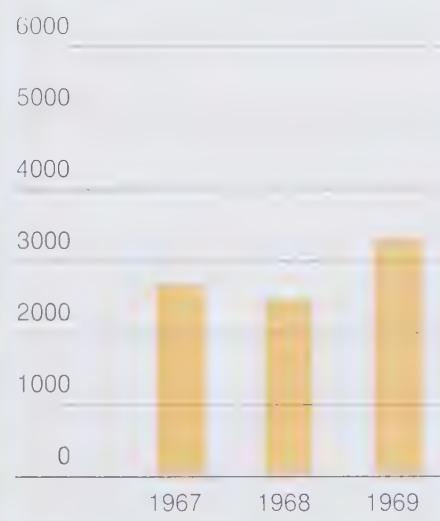


Aerial view of apartments and American Motors plant in Peel Village.



Land and house sales

\$ Thousands



Peel Village Highlands, Preston

Our newest total community
in excess of 200 million dollars

A totally new concept in community planning

From years of experience, study and analysis comes a complete and totally new city of 35,000 people. A new idea in community planning is now taking shape on the pastures and highlands overlooking the scenic Grand River that could well become the model for future developments throughout Canada.

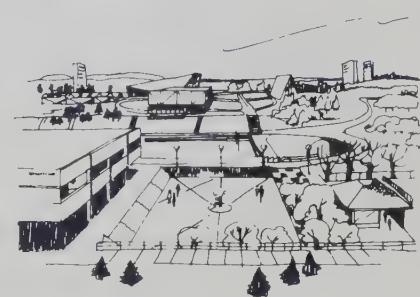
Recreation Centres, Parks, Walkways.

Peel Village Highlands will take advantage of the countryside's present natural beauty: the rolling meadows leading to the banks of the picturesque Grand River. The size and number of parks and play areas will not depend on the total area of the community but rather on the number of people who will use and enjoy them.



Schools, Churches, Community Centres.

These facilities will be closely grouped together so that each unit may benefit from the facilities of those beside it. The result: a totally practical and modern community campus, complete with meeting facilities and recreation areas all blended into one harmonious unit that can be surrounded by landscaped parkland and greenery.



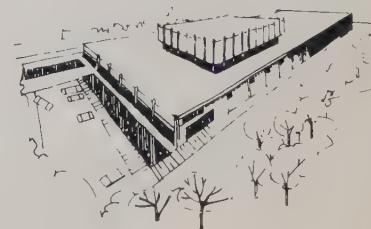
Shopping Facilities in exciting new forms.

A totally new approach to the "corner store" called Neighborhood Pavilions will be strategically located at Park walkways and will contain small service stores, barber, beauty shops, even the local doctor. The regional shopping centre will be a community focal point of shops of every description, entertainment and cultural activities as well as a meeting and fun-place for young and old.



Industrial Park with complete architectural control.

Within a 100 mile radius of 35% of Canada's consumer market, this industrial park will be served by major highways including the multi-laned 401 expressway from the mid-western U.S. and Detroit to Toronto, Montreal and Eastern Canada. Other routes provide a direct route to Canada's Golden Horseshoe and New York State.



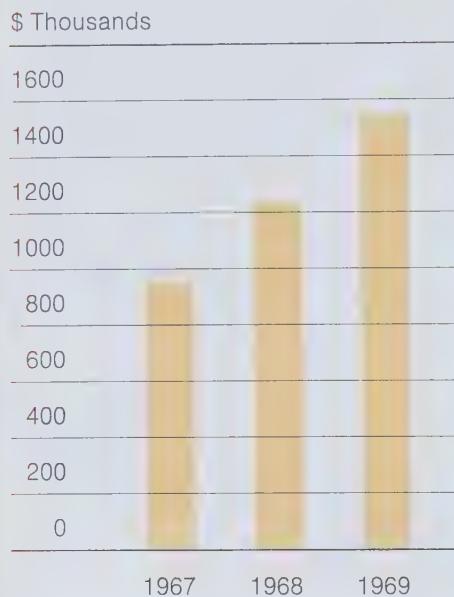
Total area exceeds 1,000 acres fronting on the south side of the Montreal-Detroit 401 Expressway. Projected population in excess of 35,000 to be housed in 12,000 family units.

Both high and low rise apartments, Town House and Garden Court homes. Unique Pavilions for local shopping and community activities, and a large regional shopping center.

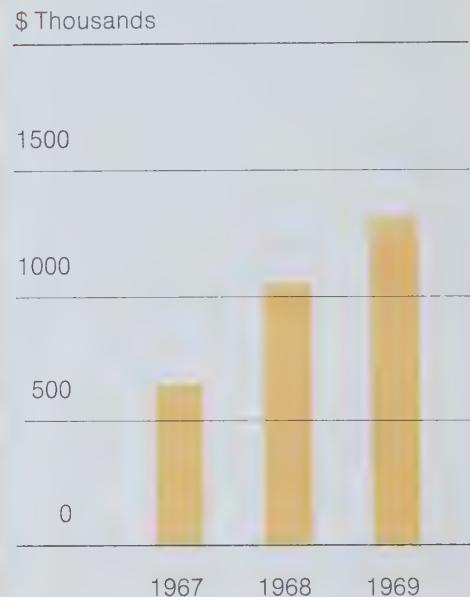
Parks, play areas and public buildings on "campus-like" settings. Architecturally controlled industrial buildings set in park-like surroundings. Total expenditure over \$200 million.



Cash Income provided by Operations



Net Profit before Deferred Corporation Income Taxes

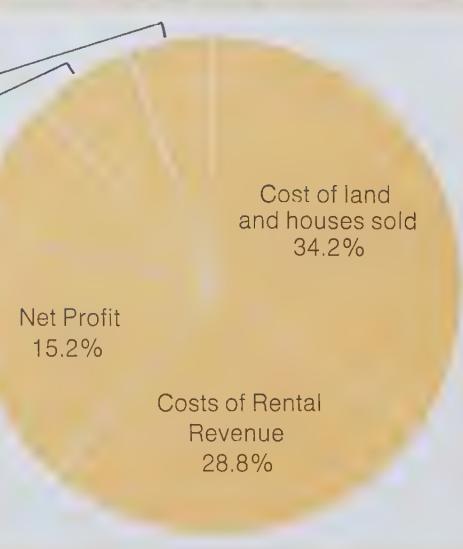


Distribution of Income Dollars

General and Administration, Sales and Advertising Expenses 5.0%

Deferred Corporation Income Taxes 6.5%

Current Corporation Income Taxes 10.3%



Industrial development



The same aggressive planning and sales promotion that brought American Motors, Benson and Hedges and Canadian Industries Limited, along with many others, to Peel Village is under way again. This time to develop and sell industrial land that was taken into the land inventory at 1959 prices, with all the appreciation of value since that time. Sale of industrial land is also being actively pursued in the Preston area as a part of the development of the Preston project.



Some of the industrial plants built by Peel Village which now employ thousands in the Brampton area.

Industrial development

The giant size American Motors plant brought to Brampton by Peel Village and built by Peel Village. A plant that now employs over 3,000 people, many of whom live in Peel Village homes.



Peel-Elder Limited and subsidiary companies

Consolidated Balance Sheet as at 31 December 1969

ASSETS	1969	1968 (Restated)
CURRENT		
Bank term deposits	\$ 1,000,000	\$ 3,200,000
Cash	503,877	(376,429)
Accounts receivable	622,644	1,063,027
Mortgages receivable	94,300	32,500
Marketable securities, at cost	148,328	26,131
(Market value 1969 — \$142,490 1968 — \$ 28,570)		
Inventories at cost	1,452,125	1,741,559
Prepaid expenses and deposits	234,254	198,022
Prepaid corporation income taxes	207,500	67,500
	4,263,028	5,952,310
RENTAL PROPERTIES (Notes 2 and 4)		
At cost less accumulated depreciation of \$836,183		
Shopping Centres with no long-term mortgages	\$4,908,804	
Properties under construction	548,540	
Shopping Centre and apartment buildings with long-term mortgages	12,710,760	18,168,104
		14,823,723
REALTY HELD FOR FUTURE DEVELOPMENT, at cost	1,072,377	1,410,865
INVESTMENTS, at cost		
Other enterprises (Note 3)	1,149,451	
Mortgages receivable	1,206,184	
Cash surrender value of life insurance	20,945	2,376,580
		1,243,631
FIXED, at cost		
less accumulated depreciation of \$70,086	54,422	48,685
OTHER	2	2
	\$25,934,513	\$23,479,216

Approved on behalf of the Board:

C. H. Watson
Director

Director

P. J. Finlay

LIABILITIES	1969	1968 (Restated)
CURRENT		
Accounts payable and accrued charges	\$ 1,886,361	\$ 1,004,384
Dividend payable	—	53,135
Corporation income taxes	615,923	131,772
Provision for land servicing and house construction	221,000	1,013,145
Tenants' deposits	106,103	86,798
Mortgage advances on house construction	313,009	104,937
Mortgages due within one year	826,215	168,450
	3,968,611	2,562,621
MORTGAGES PAYABLE (Note 5)	10,113,341	10,769,102
CORPORATION INCOME TAXES DEFERRED (Note 2)	663,000	260,000
	14,744,952	13,591,723
SHAREHOLDERS' EQUITY		
CAPITAL (Note 6)		
Authorized		
2,000,000 shares, no par value		
Issued and fully paid		
1,100,207 shares	8,577,538	8,215,052
RETAINED EARNINGS (Note 2)	2,612,023	1,672,441
	11,189,561	9,887,493
	\$25,934,513	\$23,479,216
Contingent Liability (Note 8)		

Peel-Elder Limited and subsidiary companies

Consolidated Statements of Operations and Retained Earnings
for the year ended 31 December 1969

Operations

	1969	1968 (Restated)	
HOUSES AND LAND			
Sales	\$3,337,038		\$2,460,492
Costs	2,110,431	\$1,226,607	1,579,555
	<hr/>	<hr/>	<hr/>
RENTALS			
Revenue	2,582,034		1,881,310
Costs	1,775,818	806,216	1,324,534
	<hr/>	<hr/>	<hr/>
	2,032,823		1,437,713
GENERAL AND ADMINISTRATIVE EXPENSES	306,671		279,233
	<hr/>	<hr/>	<hr/>
OTHER INCOME			
Interest, discounts and sundry	244,430		180,378
	<hr/>	<hr/>	<hr/>
PROFIT BEFORE PROVISION FOR CORPORATION INCOME TAXES	1,970,582		1,338,858
	<hr/>	<hr/>	<hr/>
PROVISION FOR CURRENT CORPORATION INCOME TAXES	628,000		292,354
	<hr/>	<hr/>	<hr/>
PROFIT FOR THE YEAR BEFORE PROVISION FOR DEFERRED CORPORATION INCOME TAXES	1,342,582		1,046,504
	<hr/>	<hr/>	<hr/>
PROVISION FOR DEFERRED CORPORATION INCOME TAXES	403,000		260,000
	<hr/>	<hr/>	<hr/>
NET PROFIT FOR THE YEAR	\$ 939,582		\$ 786,504
	<hr/>	<hr/>	<hr/>

Retained Earnings

	1969	1968 (Restated)	
Balance, 1 January			
As previously reported	\$1,937,254		\$1,166,312
Adjustments of prior years (Note 2)	(264,813)		(227,240)
	<hr/>	<hr/>	<hr/>
As restated	1,672,441		939,072
	<hr/>	<hr/>	<hr/>
NET PROFIT FOR THE YEAR	939,582		786,504
	<hr/>	<hr/>	<hr/>
	2,612,023		1,725,576
	<hr/>	<hr/>	<hr/>
DIVIDEND	—		53,135
	<hr/>	<hr/>	<hr/>
Balance, 31 December	\$2,612,023		\$1,672,441
	<hr/>	<hr/>	<hr/>

Peel-Elder Limited and subsidiary companies

Consolidated Statement of Source and Application of Funds
for the year ended 31 December 1969

1969

1968
(Restated)

SOURCE OF FUNDS

Operations:

Net profit for the year	\$ 939,582	\$ 786,504
Non-cash charges –		
depreciation	222,269	186,346
provision for deferred corporation income taxes	403,000	\$1,564,851
	403,000	260,000
Issue of shares of Peel-Elder Limited	362,486	4,667,514
Proceeds of long-term mortgages	177,605	1,132,923
Reclassification of land held for future development	338,488	168,206
Reclassification of rental property since sold	135,196	—
Proceeds on disposal of fixed assets	19,433	5,981
	19,433	5,981
	2,598,059	7,207,474

APPLICATION OF FUNDS

Long term mortgage repayments	175,601	1,270,478
Adjustment in current mortgage payment requirements	657,765	(393,350)
Investment in Graydon Hall Estates Limited	216,750	100,000
Investment in joint mineral prospect	23,329	51,047
Investment in joint realty development	104,096	261,397
Acquisition of fixed assets and rental properties, including expenditures on projects under construction	3,727,016	2,613,963
Increase in cash surrender value of life insurance	3,433	5,498
Increase in long-term mortgages receivable	785,341	227,856
Dividend declared	—	53,135
Discharge of deferred corporation income taxes	—	132,000
	5,693,331	4,322,024
INCREASE (DECREASE) IN WORKING CAPITAL	(\$3,095,272)	\$2,885,450

Peel-Elder Limited and subsidiary companies

Notes to Consolidated Financial Statements
as at 31 December 1969

Note 1 PRINCIPLES OF CONSOLIDATION

The assets, liabilities and operating results of all the wholly-owned subsidiaries of the company and their wholly-owned subsidiaries have been included in the consolidated financial statements. Inter-company indebtedness, investments, operating transactions and unrealized profits have been eliminated. All companies have fiscal years ended 31 December.

The following companies are included in the consolidated financial statements:

PEEL-ELDER LIMITED

PEEL VILLAGE DEVELOPMENTS CO.

LIMITED

PEEL VILLAGE HOMES LIMITED

LAKESHORE TOWERS OF PEEL LIMITED

ELDER BUILDERS' SUPPLIES LIMITED

Note 2 CHANGES IN ACCOUNTING PRINCIPLES

As a result of the following changes in accounting principles, profit for the year 1969 has been reduced by \$160,952.

CORPORATION INCOME TAXES

In conformity with the recommendations of the Canadian Institute of Chartered Accountants the basis of computation of corporation income taxes has been changed to provide for taxes deferred as a result of claiming for tax purposes capital cost allowances greater than the amount of depreciation recorded in the accounts.

Provision has been made in the financial statements for the following deferred corporation income taxes:

1968	\$260,000
1969	403,000
	<hr/>
	\$663,000

For the years prior to 1968, deferred corporation income taxes of \$824,000 have not been reflected in the financial statements. If there are no further acquisitions of rental properties, no payments relating to any deferred corporation taxes arising from depreciation differences will be required until 1984. Future acquisitions of rental properties would extend the period of deferment. Disposition of rental properties would shorten the period of deferment. Deferred corporation income taxes in the amount of \$76,000 on profits on house sales will become due as mortgages receivable are repaid.

DEPRECIATION

The company has adopted the sinking fund method of providing for depreciation on buildings included in rental properties. This method is based on an estimated useful life of 40 years and will write off the cost of the buildings in a series of equal annual instalments plus an interest factor of 5% compounded annually. Accumulated depreciation has been adjusted to the inception of each building. Consistent with prior years the following policy is followed with regard to depreciation on equipment:

Apartment equipment:	10% or 15% straight line according to classification
Other equipment:	20% or 30% reducing balance according to classification
Shopping Centre Fixtures:	4% straight line

SHARES OF SUBSIDIARY COMPANY

The excess of the purchase price of the shares of Peel Village Developments Co. Limited over the book value when purchased in 1959 was previously being amortized against dispositions of land by the company. The unamortized amount has been written off to retained earnings.

DEFERRED LEASING EXPENSES

The balance of the deferred leasing expenses which were incurred in 1962 in

leasing a shopping centre have been written off to retained earnings.

PREVIOUS YEAR'S FINANCIAL STATEMENTS

The 1968 comparative financial statements have been restated to give effect to the changes recited above. The effect on the consolidated retained earnings as at 1 January is:

ADJUSTMENTS OF PERIODS PRIOR TO 1 JANUARY 1968:

Write off of unamortized portion of the excess of the cost of shares of a subsidiary	\$661,180
Write off of deferred leasing expense	89,800
	<hr/>
	750,980
Reduction of accumulated depreciation	523,740
	<hr/>
	227,240

CHANGES ON RESTATEMENT OF 1968 EARNINGS:

Provision for deferred income taxes	\$260,000
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Reduction of depreciation	\$162,527
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Reversal of amortization of the excess of the cost of shares of a subsidiary	52,400
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Reversal of amortization of deferred leasing expense	7,500	222,427	37,573
			\$264,813

Peel-Elder Limited and subsidiary companies

Notes to Consolidated Financial Statements
as at 31 December 1969

Note 3 INVESTMENTS – OTHER ENTERPRISES

A subsidiary owns 50% of the common shares of Graydon Hall Estates Limited. This company is constructing three apartment buildings containing 888 suites on its Graydon Hall Estates project, and has begun construction on its Forest Hills condominium project, located in North Central Toronto.

The company has a 51% interest in a mineral prospect in Nova Scotia and has options on an additional 24%.

A subsidiary has entered into an equal partnership with Canadian Goldale Corporation Limited for the development of land in Preston, Ontario, for commercial, industrial and residential purposes.

Note 4 RENTAL PROPERTIES – PREMISES UNDER CONSTRUCTION

A subsidiary is constructing an eighty-two suite apartment building and an addition to the company's regional shopping centre in Peel Village, Brampton, Ontario. Mortgage financing has been arranged for the apartment building. Estimated aggregate cost to complete construction of the buildings is \$1,100,000.

In accordance with the company's policy of making maximum effective use of available funds, it has not placed a mortgage on the regional shopping centre at Shoppers World, Peel Village, Brampton, Ontario.

Note 5 MORTGAGES PAYABLE

Mortgages are repayable in varying amounts to 1999 and bear various interest rates. At 31 December they are as follows:

	1969	1968
Mortgages on land	\$ 266,528	\$ 416,795
on rental properties	10,673,028	10,520,757
	10,939,556	10,937,552
Current portion *	826,215	168,450
	\$10,113,341	\$10,769,102

*As at 31 March 1970 this amount has been reduced by \$676,465.

Principal amounts due on the mortgages in the next five years are as follows:

1970	\$ 826,215
1971	1,123,000
1972	168,000
1973	180,000
1974	194,000

Note 6 CAPITAL

Authorized:

During the year the company received Supplementary Letters Patent increasing the authorized capital of the company from 1,000,000 to 2,000,000 shares issuable for a maximum consideration of \$20,000,000.

Issued:

During the year the issued share capital was subdivided on the basis of three shares for two. A stock option granted 3 April 1968 was exercised. Issued share capital as at 31 December 1969 is:

Balance,			
1 January 1969	708,472 shares	\$8,215,052	
Increase on share sub-division	354,236	"	
	1,062,708	"	
Issued for cash on exercise of stock option	37,499	"	362,486
	1,100,207		\$8,577,538
		=====	=====

At 31 December 1969 Charles F. Watson had a non-transferable stock option to purchase for investment 37,500 shares at a price of \$9.666 per share exercisable on or before 3 April 1973

Note 7 SUPPLEMENTARY INFORMATION

The following amounts have been included in operating expenses:

Interest on long term Indebtedness	\$ 737,666
Provision for depreciation	222,269
Aggregate direct remuneration of directors and senior officers:	
Directors	\$61,000
Senior Employees (not officers or directors)	65,154 126,154
	=====

Note 8 CONTINGENT LIABILITY

The company is guarantor of construction bank advances to Graydon Hall Estates Limited to a maximum of \$3,500,000. As security for these advances, Graydon Hall Estates Limited has assigned to its banker mortgage commitments obtained under the National Housing Act.

Note 9 EARNINGS PER SHARE

Computed on the average number of shares outstanding after giving effect to the subdivision of shares on the basis of three for two.

	1969	1968
Before Corporation Taxes	1.81	1.55
Before Deferred Corporation Income Taxes – (Note 2)	1.23	1.21
After Deferred Corporation Income Taxes	.86	.91
Average number of shares outstanding	1,087,708	865,833

Peel-Elder Limited and subsidiary companies

Auditors' report

DUNWOODY & COMPANY

Internationally

LASSER, HARMOOD BANNER & DUNWOODY

Chartered Accountants

Montreal
Toronto
Winnipeg
Calgary
Vancouver
Cornwall
Trenton
Oakville
Welland
Fort William-
Port Arthur
Dryden
Fort Frances
Kenora
Swan River

25 Adelaide Street West Toronto 105, Canada Telephone 362 2351 Cable: Dunwoody, Toronto

AUDITORS' REPORT

TO THE SHAREHOLDERS OF

PEEL-ELDER LIMITED.

We have examined the consolidated balance sheet of Peel-Elder Limited and subsidiary companies as at 31 December 1969 and the consolidated statements of retained earnings, operations and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company and its subsidiaries as at 31 December 1969 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, with the exception of the changes in accounting principles referred to in Note 2 to the financial statements with which we concur.

Toronto, Ontario
31 March 1970

Dunwoody & Company
CHARTERED ACCOUNTANTS.

Peel-Elder Limited

Accounting and Administration

Donovan R. Lytle, C.A.

Comptroller

Tom Ylkos

Office Manager

K. P. Marx

Rental Properties

R. B. Shames

Shopping Centres

W. A. Gaudet

High Rise Construction

Land Development

C. Donald Brooks, P.Eng.

Assistant Vice-President

Graham Birch, P.Eng.

High Rise Construction

Melvin Kurtz

Assistant Vice-President

J. H. Guerts

Construction Manager

S. Allen

Construction Superintendent

D. J. Polito

Construction Superintendent

J. A. Bonser

Construction Superintendent

House Construction and Sales

Sidney Todd

H. Talpak

Superintendent

T. Sark

Assistant Superintendent

M. J. Martin

Sales

L. S. Mascarin

Sales

Architectural

Paul Ospalak, Dip.Arch. (Lond.),

A.R.I.B.A., M.R.A.I.C., M.R.S.H.

Joseph Barna

Chief Designer

Shopping Centres

Roy S. Clark

Director of Marketing

George Gourlay

Manager

R. C. Maxwell

Manager

Apartment Rental and Management

Harold M. Cohan

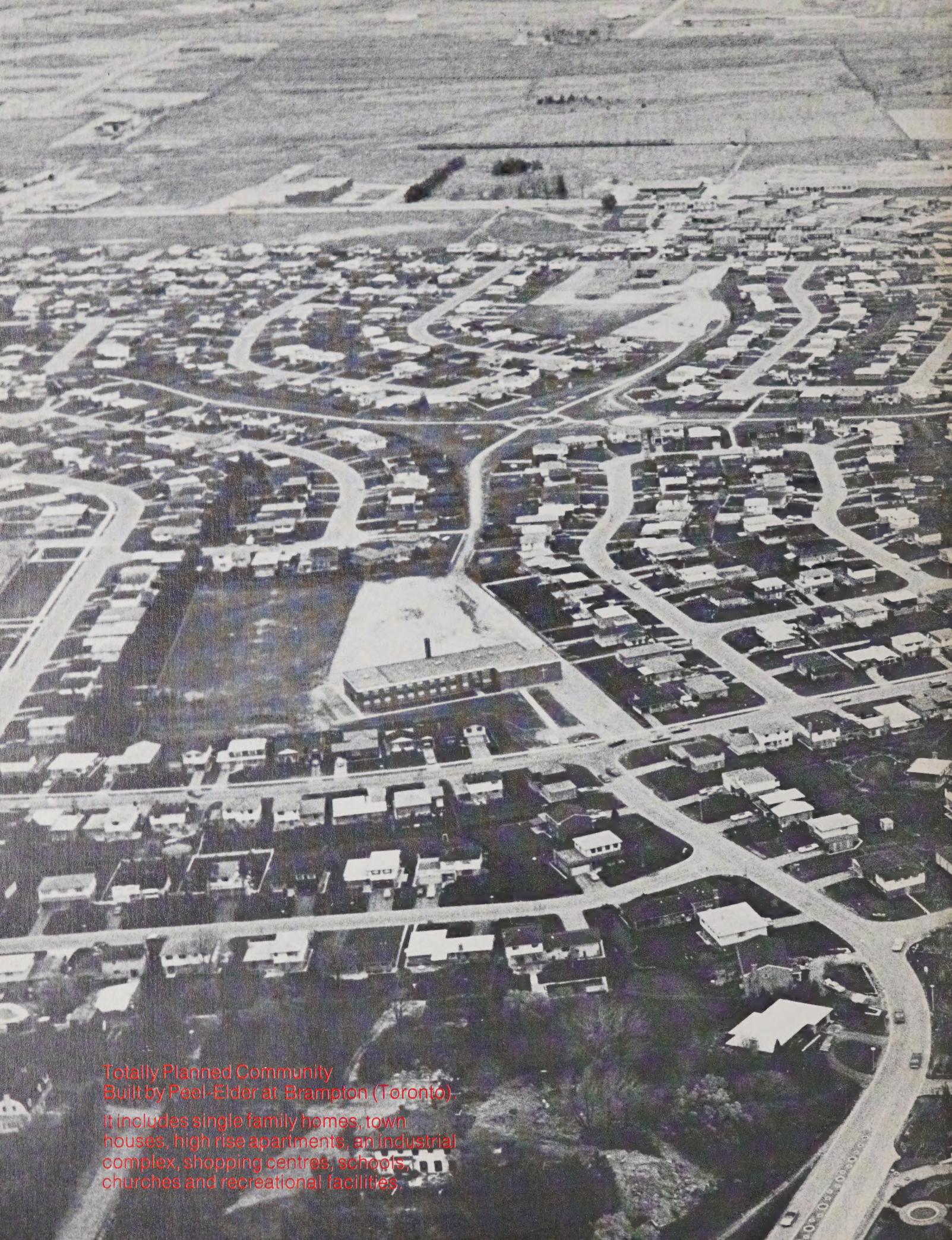
Property Manager

Alex Watson

Assistant Property Manager

Muriel Urquhart

Rentals



Totally Planned Community
Built by Peel-Elder at Brampton (Toronto).

It includes single family homes, town houses, high rise apartments, an industrial complex, shopping centres, schools, churches and recreational facilities.